

Senate File 2296

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1 1 SENATE FILE 2296
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1 3 AN ACT
1 4 RELATING TO THE POLICY ADMINISTRATION OF THE TAX AND RELATED
1 5 LAWS BY THE DEPARTMENT OF REVENUE, INCLUDING ADMINISTRATION
1 6 OF AND SUBSTANTIVE CHANGES TO THE STATE INDIVIDUAL INCOME,
1 7 CORPORATE INCOME, SALES, USE, PROPERTY, INHERITANCE, MOTOR
1 8 FUEL, SPECIAL FUEL, CIGARETTE, AND TOBACCO TAXES AND
1 9 INCLUDING PENALTIES.
1 10
1 11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
1 12
1 13 Section 1. Section 15.335, subsection 4, unnumbered
1 14 paragraph 2, Code Supplement 2003, is amended to read as
1 15 follows:
1 16 For purposes of this section, "Internal Revenue Code" means
1 17 the Internal Revenue Code in effect on January 1, ~~2003~~ 2004.
1 18 Sec. 2. Section 15A.9, subsection 8, paragraph e,
1 19 unnumbered paragraph 2, Code Supplement 2003, is amended to
1 20 read as follows:
1 21 For purposes of this subsection, "Internal Revenue Code"
1 22 means the Internal Revenue Code in effect on January 1, ~~2003~~
1 23 2004.
1 24 Sec. 3. Section 421.1, subsection 4, Code Supplement 2003,
1 25 is amended by adding the following new unnumbered paragraph:
1 26 NEW UNNUMBERED PARAGRAPH. Judicial review of the decisions
1 27 or orders of the board resulting from the review of decisions
1 28 or orders of the director of revenue for assessment and
1 29 collection of taxes by the department may be sought by the
1 30 taxpayer or the director of revenue in accordance with the
1 31 terms of chapter 17A.
1 32 Sec. 4. Section 421.17, Code Supplement 2003, is amended
1 33 by adding the following new subsection:
1 34 NEW SUBSECTION. 28. To place on the department's official
1 35 website the official electronic state of Iowa voter
2 1 registration form and a link to the Iowa secretary of state's
2 2 official website.
2 3 Sec. 5. Section 421.17A, subsection 2, paragraph a, Code
2 4 Supplement 2003, is amended to read as follows:
2 5 a. Notwithstanding other statutory provisions which
2 6 provide for the execution, attachment, garnishment, or levy
2 7 against accounts, the facility may utilize the process
2 8 established in this section to collect delinquent accounts,
2 9 charges, fees, loans, taxes, or other indebtedness due the
2 10 state or being collected by the state provided that any
2 11 exemptions or exceptions which specifically apply to
2 12 enforcement of such obligations also apply to this section.
2 13 Administrative levy under this section is the equivalent of
2 14 condemning funds under chapter 642. It is expressly provided
2 15 that these remedies shall be cumulative and that no action
2 16 taken by the director or attorney general shall be construed
2 17 to be an election on the part of the state or any of its
2 18 officers, employees, or representatives to pursue any other
2 19 remedy provided by law.
2 20 Sec. 6. Section 421.17A, subsection 3, Code Supplement
2 21 2003, is amended to read as follows:
2 22 3. ~~INITIAL NOTICE OF INTENT TO OBLIGOR.~~ The facility may
2 23 proceed under this section only if twenty days' notice has
2 24 been provided to the ~~obligor~~ by regular mail to the last known
2 25 address of the obligor, notifying the obligor that the obligor
2 26 is subject to this section and of the facility's intention to
2 27 use the levy process. ~~The facility shall give twenty days'~~
2 28 ~~notice of its intention to use the levy process.~~ The ~~twenty-~~
2 29 ~~day~~ twenty days' notice period shall not be required if the
2 30 facility determines that the collection of past due amounts
2 31 would be jeopardized.
2 32 Sec. 7. Section 421.17A, subsection 5, paragraph c,
2 33 subparagraph (7), Code Supplement 2003, is amended to read as
2 34 follows:
2 35 (7) ~~A The telephone number, address, and contact name of~~
3 1 ~~the agent for the facility initiating the action.~~
3 2 Sec. 8. Section 421.17A, subsection 6, Code Supplement
3 3 2003, is amended to read as follows:
3 4 6. ADMINISTRATIVE LEVY == NOTICE OF INITIATION OF ACTION
3 5 TO OBLIGOR AND OTHER ACCOUNT HOLDERS.

3 6 a. The facility may administratively initiate an action to
3 7 seize one or more accounts of an obligor who is subject to
3 8 this section and section 421.17, subsection 27.
3 9 b. The facility shall notify an obligor subject to this
3 10 section. The notice shall contain all of the following:
3 11 (1) The name and social security number of the obligor.
3 12 (2) A statement that the obligor is believed to have an
3 13 account at the financial institution.
3 14 (3) A statement that pursuant to the provisions of this
3 15 section, the obligor's account is subject to seizure and the
3 16 financial institution is authorized and required to forward
3 17 moneys to the facility.
3 18 (4) The maximum amount to be forwarded by the financial
3 19 institution, which shall not exceed the delinquent or accrued
3 20 amount of debt being collected by or owed to the state by the
3 21 obligor.
3 22 (5) The prescribed time frames the financial institution
3 23 must meet in forwarding any amounts.
3 24 (6) A statement that any challenge to the action must be
3 25 in writing and must be received by the facility within ten
3 26 days of the date of the notice to the obligor.
3 27 (7) The address of the facility and the account number
3 28 utilized by the facility for the obligor.
3 29 (8) ~~A The telephone number, address, and contact name of~~
3 30 ~~the agent for the facility initiating the action.~~
3 31 c. The facility shall forward the notice of initiation of
3 32 action to the obligor by regular mail within two working days
3 33 of sending the notice to the financial institution pursuant to
3 34 subsection 5, paragraph "b".
3 35 d. The facility shall notify any other party known to have
4 1 an interest in the account. The notice shall contain all of
4 2 the following:
4 3 (1) The name of the obligor.
4 4 (2) The name of the financial institution.
4 5 (3) A statement that the account in which the other party
4 6 is known to have an interest is subject to seizure.
4 7 (4) A statement that any challenge to the action must be
4 8 in writing and must be received by the facility within ten
4 9 days of the date of the notice to the party known to have an
4 10 interest.
4 11 (5) The address of the facility and the name of the
4 12 obligor who also has an interest in the account.
4 13 (6) ~~A The telephone number, address, and contact name of~~
4 14 ~~the agent for the facility initiating the action.~~
4 15 e. The facility shall forward the notice to the other
4 16 party known to have an interest by regular mail within two
4 17 working days of sending the notice to the financial
4 18 institution pursuant to subsection 5, paragraph "b".
4 19 Sec. 9. Section 421.17A, subsection 8, paragraphs b, c,
4 20 and f, Code Supplement 2003, are amended to read as follows:
4 21 b. The person challenging the action shall submit a
4 22 written challenge to the person identified as the ~~contact~~
4 23 agent for the facility in the notice, within ten days of the
4 24 date of the notice of initiation of the levy.
4 25 c. The facility, upon receipt of a written challenge,
4 26 shall review the facts of the ~~case~~ administrative levy with
4 27 the challenging party within ten days of receipt of the
4 28 challenge. If the challenging party is not available for the
4 29 review on the scheduled date, the review shall take place
4 30 without the challenging party being present. Information in
4 31 favor of the challenging party shall be considered by the
4 32 facility in the review. The facility may utilize additional
4 33 information if such information is available. Only a mistake
4 34 of fact, including, but not limited to, a mistake in the
4 35 identity of the obligor or a mistake in the amount owed to or
5 1 being collected by the state shall be considered as a reason
5 2 to dismiss or modify the action.
5 3 f. The challenging party shall have the right to file an
5 4 action for wrongful levy in district court within thirty days
5 5 of the date of the notice in paragraph "e", either in the
5 6 county where the obligor or the party known to have an
5 7 interest in the account resides or in Polk county where the
5 8 facility is located. Actions under this section are in equity
5 9 and not actions at law.

5 10 Sec. 10. Section 421.17A, subsection 8, Code Supplement
5 11 2003, is amended by adding the following new paragraphs:
5 12 NEW PARAGRAPH. g. Recovery under this section is limited
5 13 to restitution of the amount that has been wrongfully
5 14 encumbered or obtained by the department.
5 15 NEW PARAGRAPH. h. A challenge to an administrative action
5 16 under this subsection cannot be used to extend or reopen the

5 17 statute of limitations to protest other departmental actions
5 18 or to contest the amount or validity of the tax. Only issues
5 19 involving the levy can be raised in a challenge to an
5 20 administrative action under this subsection.

5 21 Sec. 11. Section 421.17B, subsection 2, paragraph a, Code
5 22 Supplement 2003, is amended to read as follows:

5 23 a. Notwithstanding other statutory provisions which
5 24 provide for the execution, attachment, garnishment, or levy
5 25 against accounts, the facility may utilize the process
5 26 established in this section to collect delinquent accounts,
5 27 charges, fees, loans, taxes, or other indebtedness due the
5 28 facility or being collected by the facility provided all
5 29 administrative remedies have been waived or exhausted by the
5 30 obligor. Any exemptions or exceptions which specifically
5 31 apply to enforcement of such obligations also apply to this
5 32 section. Administrative wage assignment under this section is
5 33 the equivalent of condemning funds under chapter 642. It is
5 34 expressly provided that these remedies shall be cumulative and
5 35 that no action taken by the director or the attorney general
6 1 shall be construed to be an election on the part of the state
6 2 or any of its officers or representatives to pursue any other
6 3 remedy provided by law.

6 4 ~~Administrative wage assignment under this section is the~~
6 5 ~~equivalent of condemning funds under chapter 642.~~

6 6 ~~The administrative wage assignment is to be considered an~~
6 7 ~~additional means of collection by the facility and not an~~
6 8 ~~exclusive means of collection. If the use of an~~
6 9 ~~administrative wage assignment is not successful in collecting~~
6 10 ~~an outstanding debt due the facility, the facility may use the~~
6 11 ~~collection provisions set forth in chapters 626 and 642.~~

6 12 Sec. 12. Section 421.17B, subsection 3, Code Supplement
6 13 2003, is amended to read as follows:

6 14 3. NOTICE OF INTENT TO THE OBLIGOR.

6 15 a. The facility may proceed under this section only if ~~a~~
6 16 ~~ten-day twenty days'~~ notice has been provided to the obligor.

6 17 ~~Notice by the facility may be~~ by regular mail to the last
6 18 known address of the obligor, notifying the obligor that the
6 19 obligor is subject to this section. If the facility
6 20 determines that collection of the debt may be in jeopardy, the
6 21 facility may request that the employer deliver notice of the
6 22 wage assignment simultaneous with the remainder of or in lieu
6 23 of the obligor's compensation due from the employer.

6 24 The facility may obtain one or more wage assignments of an
6 25 obligor who is subject to this section. If the obligor has
6 26 more than one employer, the facility may receive wage
6 27 assignments from one or ~~all more~~ of the employers until the
6 28 full debt obligation of the obligor is satisfied. If an
6 29 obligor has more than one employer, the facility shall give
6 30 notice to all employers ~~that the facility seeks to have an~~
6 31 ~~assignment of wages from whom an assignment is sought.~~

6 32 b. The notice from the facility to the obligor shall
6 33 contain all of the following:

6 34 (1) The name and social security number of the obligor.

6 35 (2) A statement that the obligor is believed to have

7 1 employment with the stated employer.

7 2 (3) A statement that pursuant to the provisions of this
7 3 section, the obligor's wages will be assigned to the facility
7 4 for payment of the specified debts and that the employer is
7 5 authorized and required to forward moneys to the facility.

7 6 (4) The maximum amount to be forwarded by the employer,
7 7 which shall not exceed the delinquent or accrued amount of
7 8 debt being collected by or owed to the facility by the
7 9 obligor.

7 10 (5) The prescribed time frames the employer must meet in
7 11 forwarding any amounts.

7 12 (6) A statement that any challenge to the action must be
7 13 in writing and must be received by the facility within ten
7 14 days of the date of the notice to the obligor.

7 15 (7) The address of the facility and the account number
7 16 utilized by the facility for the obligor.

7 17 (8) ~~A The telephone number, address, and contact name of~~
7 18 ~~the agent for the facility initiating the action.~~

7 19 Sec. 13. Section 421.17B, subsection 6, paragraph c,
7 20 subparagraph (7), Code Supplement 2003, is amended to read as
7 21 follows:

7 22 (7) ~~A The telephone number, address, and name of a contact~~
7 23 ~~person with the facility of the agent for the facility~~
7 24 ~~initiating the action.~~

7 25 Sec. 14. Section 421.17B, subsection 8, paragraphs a, b,
7 26 c, and f, Code Supplement 2003, are amended to read as
7 27 follows:

7 28 a. Challenges under this section may be initiated only by
7 29 an obligor. An administrative wage assignment only occurs
7 30 after the obligor has waived or exhausted administrative
7 31 remedies. Reviews by the facility of a challenge to an
7 32 administrative wage assignment are not subject to chapter 17A
7 33 ~~unless the challenge is regarding the validity of the~~
7 34 ~~assignment. Actions under this section are in equity and not~~
7 35 ~~actions at law.~~

8 1 b. The obligor challenging the administrative wage
8 2 assignment shall submit a written challenge to the person
8 3 identified as the ~~contact agent~~ for the facility in the
8 4 notice, within ten days of the date of the notice ~~to the~~
8 5 ~~obligor of initiation of the assignment.~~

8 6 c. The facility, upon receipt of a written challenge,
8 7 shall review the facts of the ~~case administrative wage~~
8 8 ~~assignment~~ with the obligor within ten days of receipt of the
8 9 challenge. If the obligor is not available for the review on
8 10 the scheduled date, the review shall take place without the
8 11 obligor being present. Information in favor of the obligor
8 12 shall be considered by the facility in the review. The
8 13 facility may utilize additional information if such
8 14 information is available. Only a mistake of fact, including,
8 15 but not limited to, a mistake in the identity of the obligor
8 16 or a mistake in the amount owed to or being collected by the
8 17 facility shall be considered as a reason to dismiss or modify
8 18 the administrative wage assignment.

8 19 f. The obligor shall have the right to file an action for
8 20 wrongful assignment in district court within thirty days of
8 21 the date of the notice to the obligor, either in the county
8 22 where the obligor is located or in Polk county where the
8 23 facility is located. Actions under this section are in equity
8 24 and not actions at law.

8 25 Sec. 15. Section 421.17B, subsection 8, Code Supplement
8 26 2003, is amended by adding the following new paragraphs:

8 27 NEW PARAGRAPH. g. Recovery under this subsection is
8 28 limited to restitution of the amount that has been wrongfully
8 29 encumbered or obtained by the department.

8 30 NEW PARAGRAPH. h. A challenge to an administrative action
8 31 under this subsection cannot be used to extend or reopen the
8 32 statute of limitations to protest other departmental actions
8 33 or to contest the amount or validity of the tax. Only issues
8 34 involving the assignment can be raised in a challenge to an
8 35 administrative action under this subsection.

9 1 Sec. 16. Section 421.17B, subsection 9, unnumbered
9 2 paragraph 2, Code Supplement 2003, is amended to read as
9 3 follows:

9 4 Expiration Cessation of the wage assignment does not affect
9 5 the obligor's duties and liabilities respecting the wages
9 6 already withheld pursuant to the wage assignment.

9 7 Sec. 17. Section 422.10, subsection 3, unnumbered
9 8 paragraph 2, Code Supplement 2003, is amended to read as
9 9 follows:

9 10 For purposes of this section, "Internal Revenue Code" means
9 11 the Internal Revenue Code in effect on January 1, ~~2003~~ 2004.

9 12 Sec. 18. Section 422.33, subsection 5, paragraph d,
9 13 unnumbered paragraph 2, Code Supplement 2003, is amended to
9 14 read as follows:

9 15 For purposes of this subsection, "Internal Revenue Code"
9 16 means the Internal Revenue Code in effect on January 1, ~~2003~~
9 17 2004.

9 18 Sec. 19. Section 422.42, subsection 6, Code 2003, is
9 19 amended by adding the following new paragraph:

9 20 NEW PARAGRAPH. c. That trade discounts given or allowed
9 21 by manufacturers, distributors, or wholesalers to retailers or
9 22 by manufacturers or distributors to wholesalers and payments
9 23 made by manufacturers, distributors, or wholesalers directly
9 24 to retailers or by manufacturers or distributors to
9 25 wholesalers to reduce the sales price of the manufacturer's,
9 26 distributor's, or wholesaler's product or to promote the sale
9 27 or recognition of the manufacturer's, distributor's, or
9 28 wholesaler's product shall not be included if excessive sales
9 29 tax is not collected from the purchaser. This paragraph does
9 30 not apply to coupons issued by manufacturers, distributors, or
9 31 wholesalers to consumers.

9 32 Sec. 20. Section 422A.1, unnumbered paragraph 8, Code
9 33 Supplement 2003, is amended to read as follows:

9 34 The tax levied shall be in addition to any state sales tax
9 35 imposed under section 422.43. Section 422.25, subsection 4,
10 1 sections 422.30, 422.48 to 422.52, 422.54 to 422.58, 422.67,
10 2 422.68, 422.69, subsection 1, and sections 422.70 to 422.75,
10 3 consistent with the provisions of this chapter, apply with

10 4 respect to the taxes authorized under this chapter, in the
10 5 same manner and with the same effect as if the hotel and motel
10 6 taxes were retail sales taxes within the meaning of those
10 7 statutes. Notwithstanding this paragraph, the director shall
10 8 provide for quarterly filing of returns as prescribed in
10 9 section 422.51 and for other than quarterly filing of returns
10 10 as prescribed in section 422.51, subsection 2. The director
10 11 may require all persons, as defined in section 422.42, who are
10 12 engaged in the business of deriving gross receipts subject to
10 13 tax under this chapter, to register with the department. All
10 14 taxes collected under this chapter by a retailer or any
10 15 individual are deemed to be held in trust for the state of
10 16 Iowa and the local jurisdictions imposing the taxes.

10 17 Sec. 21. Section 422B.9, subsection 3, paragraph a, Code
10 18 Supplement 2003, is amended to read as follows:
10 19 a. The director, in consultation with local officials,
10 20 shall collect and account for a local sales and services tax.
10 21 The director shall certify each quarter the amount of local
10 22 sales and services tax receipts and any interest and penalties
10 23 to be credited to the "local sales and services tax fund"
10 24 established in the office of the treasurer of state. All
10 25 taxes collected under this chapter by a retailer or any

10 26 individual are deemed to be held in trust for the state of
10 27 Iowa and the local jurisdictions imposing the taxes.

10 28 Sec. 22. Section 423.1, subsection 47, paragraph b, as
10 29 enacted by 2003 Iowa Acts, First Extraordinary Session,
10 30 chapter 2, section 94, is amended by adding the following new
10 31 subparagraph:

10 32 NEW SUBPARAGRAPH. (5) Trade discounts given or allowed by
10 33 manufacturers, distributors, or wholesalers to retailers or by
10 34 manufacturers or distributors to wholesalers and payments made
10 35 by manufacturers, distributors, or wholesalers directly to
11 1 retailers or by manufacturers or distributors to wholesalers
11 2 to reduce the sales price of the manufacturer's, distributors,
11 3 or wholesaler's product or to promote the sale or recognition
11 4 of the manufacturer's, distributor's, or wholesaler's product.
11 5 This subparagraph does not apply to coupons issued by
11 6 manufacturers, distributors, or wholesalers to consumers.

11 7 Sec. 23. Section 423.1, subsection 47, as enacted by 2003
11 8 Iowa Acts, First Extraordinary Session, chapter 2, section 94,
11 9 is amended by adding the following new paragraph:

11 10 NEW PARAGRAPH. c. For purposes of this definition, the
11 11 sales price from a rental or lease includes rent, royalties,
11 12 and copyright and license fees.

11 13 Sec. 24. Section 423.2, subsection 6, unnumbered paragraph
11 14 2, as enacted by 2003 Iowa Acts, First Extraordinary Session,
11 15 chapter 2, section 95, is amended to read as follows:

11 16 ~~For the purposes of this subsection, the sales price of a~~
11 17 ~~lease or rental includes rents, royalties, and copyright and~~
11 18 ~~license fees.~~ For the purposes of this subsection, "financial
11 19 institutions" means all national banks, federally chartered
11 20 savings and loan associations, federally chartered savings
11 21 banks, federally chartered credit unions, banks organized
11 22 under chapter 524, savings and loan associations and savings
11 23 banks organized under chapter 534, and credit unions organized
11 24 under chapter 533.

11 25 Sec. 25. Section 423.2, as enacted by 2003 Iowa Acts,
11 26 First Extraordinary Session, chapter 2, section 95, is amended
11 27 by adding the following new subsection:

11 28 NEW SUBSECTION. 11. All taxes collected under this
11 29 chapter by a retailer or any individual are deemed to be held
11 30 in trust for the state of Iowa.

11 31 Sec. 26. Section 423.3, subsections 33 and 82, as enacted
11 32 by 2003 Iowa Acts, First Extraordinary Session, chapter 2,
11 33 section 96, are amended to read as follows:

11 34 33. a. The sales price of mementos and other items
11 35 relating to Iowa history and historic sites, the general
12 1 assembly, and the state capitol, sold by the legislative
12 2 ~~service bureau~~ services agency and its legislative information
12 3 office on the premises of property under the control of the
12 4 legislative council, at the state capitol, and on other state
12 5 property.

12 6 b. The legislative services agency is not a retailer under
12 7 this chapter and the sale of items or provision of services by
12 8 the legislative services agency is not a retail sale under
12 9 this chapter and is exempt from the sales tax.

12 10 82. a. The sales price from the sale or rental of core
12 11 ~~and making, mold making, equipment~~ and sand handling machinery
12 12 and equipment, including replacement parts, directly and
12 13 primarily used in the mold making process by a foundry.

12 14 b. The sales price from the sale of fuel used in creating

12 15 heat, power, steam, or for generating electric current, or
12 16 from the sale of electricity, consumed by core making, mold
12 17 making, and sand handling machinery and equipment used
12 18 directly and primarily in the mold-making process by a
12 19 foundry.

12 20 c. The sales price from the furnishing of the design and
12 21 installation, including electrical and electronic
12 22 installation, of core making, mold making, and sand handling
12 23 machinery and equipment used directly and primarily in the
12 24 mold-making process by a foundry.

12 25 Sec. 27. Section 423.3, as enacted by 2003 Iowa Acts,
12 26 First Extraordinary Session, chapter 2, section 96, is amended
12 27 by adding the following new subsection:

12 28 NEW SUBSECTION. 43A. The sales price from the sale of
12 29 wine which is shipped from outside Iowa and which meets the
12 30 requirements for sales and use tax exemption pursuant to
12 31 section 123.187.

12 32 Sec. 28. Section 424.3, subsection 1, Code 2003, is
12 33 amended by adding the following new unnumbered paragraph:

12 34 NEW UNNUMBERED PARAGRAPH. All taxes or charges collected
12 35 under this chapter by a depositor or any individual from a
13 1 receiver or any other individual are considered to be held in
13 2 trust on behalf of the state of Iowa.

13 3 Sec. 29. Section 441.21, subsection 2, Code Supplement
13 4 2003, is amended to read as follows:

13 5 2. In the event market value of the property being
13 6 assessed cannot be readily established in the foregoing
13 7 manner, then the assessor may determine the value of the
13 8 property using the other uniform and recognized appraisal
13 9 methods including its productive and earning capacity, if any,
13 10 industrial conditions, its cost, physical and functional
13 11 depreciation and obsolescence and replacement cost, and all
13 12 other factors which would assist in determining the fair and
13 13 reasonable market value of the property but the actual value
13 14 shall not be determined by use of only one such factor. The
13 15 following shall not be taken into consideration: Special
13 16 value or use value of the property to its present owner, and
13 17 the good will or value of a business which uses the property
13 18 as distinguished from the value of the property as property.
13 19 However, in assessing property that is rented or leased to
13 20 low-income individuals and families as authorized by section
13 21 42 of the Internal Revenue Code, as amended, and which section
13 22 limits the amount that the individual or family pays for the
13 23 rental or lease of units in the property, the assessor shall
13 24 use the productive and earning capacity from the actual rents
13 25 received as a method of appraisal and shall take into account
13 26 the extent to which that use and limitation reduces the market
13 27 value of the property. The assessor shall not consider any
13 28 tax credit equity or other subsidized financing as income
13 29 provided to the property in determining the assessed value.

13 30 The property owner shall notify the assessor when property is
13 31 withdrawn from section 42 eligibility under the Internal

13 32 Revenue Code. The property shall not be subject to section 42
13 33 assessment procedures for the assessment year for which

13 34 section 42 eligibility is withdrawn. This notification must
13 35 be provided to the assessor no later than March 1 of the

14 1 assessment year or the owner will be subject to a penalty of
14 2 five hundred dollars for that assessment year. The penalty

14 3 shall be collected at the same time and in the same manner as
14 4 regular property taxes. Upon adoption of uniform rules by the

14 5 revenue department or succeeding authority covering
14 6 assessments and valuations of such properties, said valuation
14 7 on such properties shall be determined in accordance therewith
14 8 for assessment purposes to assure uniformity, but such rules
14 9 shall not be inconsistent with or change the foregoing means
14 10 of determining the actual, market, taxable and assessed
14 11 values.

14 12 Sec. 30. Section 450.22, Code 2003, is amended to read as
14 13 follows:

14 14 450.22 ADMINISTRATION AVOIDED == INHERITANCE TAX DUTIES
14 15 REQUIRED.

14 16 1. When the heirs or persons entitled to inherit the
14 17 property of an estate subject to tax under this chapter desire
14 18 to avoid the appointment of a personal representative as
14 19 provided in section 450.21, and in all instances where real
14 20 estate is involved and there are no regular probate
14 21 proceedings, they or one of them shall file under oath the
14 22 inventories required by section 633.361 and the required
14 23 reports, perform all the duties required by this chapter of
14 24 the personal representative, and file the inheritance tax
14 25 return.

14 26 2. However, this section does not apply and a return is
14 27 not required to be filed even though real estate is part of
14 28 the assets subject to tax under this chapter, if all of the
14 29 assets are held in joint tenancy with right of survivorship
14 30 between husband and wife alone, or if the estate exclusively
14 31 consists of property held in joint tenancy with the right of
14 32 survivorship solely by the decedent and ~~any~~ individuals listed
14 33 in section 450.9 as individuals that are entirely exempt from
14 34 Iowa inheritance tax and the estate does not have a federal
14 35 estate tax obligation.

15 1 3. However, this section does not apply and a return is
15 2 not required to be filed, even though real estate is involved,
15 3 if the estate does not have a federal estate tax filing
15 4 obligation and if all the estate's assets are described in any
15 5 of the following categories:

15 6 a. Assets held in joint tenancy with right of survivorship
15 7 between husband and wife alone.

15 8 b. Assets held in joint tenancy with right of survivorship
15 9 solely between the decedent and individuals listed in section
15 10 450.9 as individuals that are entirely exempt from Iowa
15 11 inheritance tax.

15 12 c. Assets passing by beneficiary designation, pursuant to
15 13 a trust intended to pass the decedent's property at death or
15 14 through any other nonprobate transfer solely to individuals
15 15 listed in section 450.9 as individuals that are entirely
15 16 exempt from Iowa inheritance tax.

15 17 This subsection does not apply to interests in an asset or
15 18 assets that pass to both an individual listed in section 450.9
15 19 and to that individual's spouse.

15 20 4. If a return is not required to be filed pursuant to
15 21 subsection 3, and if real estate is involved, one of the
15 22 individuals with an interest in, or succeeding to an interest
15 23 in, the real estate shall file an affidavit in the county in
15 24 which the real estate is located setting forth the legal
15 25 description of the real estate and the fact that an
15 26 inheritance tax return is not required pursuant to subsection
15 27 3. If a false affidavit is filed, the affiant and the
15 28 personal representative shall be jointly and severally liable
15 29 for any tax, penalty, and interest that may have been due.
15 30 Any otherwise applicable statute of limitations on the
15 31 assessment and collection of the tax, penalty, and interest
15 32 shall not apply.

15 33 5. When this section applies, proceedings for the
15 34 collection of the tax when a personal representative is not
15 35 appointed shall conform as nearly as possible to proceedings
16 1 under this chapter in other cases.

16 2 Sec. 31. Section 450.37, subsection 2, paragraph a, Code
16 3 Supplement 2003, is amended to read as follows:

16 4 a. If an agreement has not been reached on the fair market
16 5 value of real property in the ordinary course of trade, the
16 6 director of revenue has ~~thirty~~ sixty days after the return is
16 7 filed to request an appraisal under section 450.27. If an
16 8 appraisal request is not made within the ~~thirty-day~~ sixty-day
16 9 period, the value listed on the return is the agreed value of
16 10 the real property.

16 11 Sec. 32. Section 450.53, subsections 1 and 2, Code
16 12 Supplement 2003, are amended to read as follows:

16 13 1. a. All personal representatives, except guardians and
16 14 conservators, and other persons charged with the management or
16 15 settlement of any estate or trust from which a tax is due
16 16 under this chapter, shall file an inheritance tax return,
16 17 within the time limits set by section 450.6, with a copy of
16 18 any federal estate tax return and other documents required by
16 19 the director which may reasonably tend to prove the amount of
16 20 tax due, and at the time of filing, shall pay to the
16 21 department of revenue the amount of the tax due from any
16 22 devisee, grantee, donee, heir, or beneficiary of the decedent,
16 23 except in cases where payment of the tax is deferred until the
16 24 determination of a prior estate. The owner of the future
16 25 interest shall file a supplemental inheritance tax return and
16 26 pay to the department of revenue the tax due within the time
16 27 limits set in this chapter. The inheritance tax returns shall
16 28 be in the form prescribed by the director.

16 29 b. Notwithstanding paragraph "a", an inheritance tax
16 30 return is not required to be filed if the estate does not have
16 31 a federal estate tax filing obligation and if all the estate
16 32 or trust assets pass solely to individuals listed in section
16 33 450.9 as individuals that are entirely exempt from Iowa
16 34 inheritance tax. This paragraph is not applicable if
16 35 interests in the asset pass to both an individual listed in
17 1 section 450.9 and to that individual's spouse.

17 2 2. a. A person in possession of assets to be reported for
17 3 purposes of taxation, including a personal representative or
17 4 trustee, who willfully makes a false or fraudulent return, or
17 5 willfully fails to pay the tax, supply the information, make,
17 6 sign, or file the required return within the time required by
17 7 law, is guilty of a fraudulent practice. This paragraph does
17 8 not apply if a return is not required to be filed pursuant to
17 9 subsection 1, paragraph "b".

17 10 b. If a false affidavit is filed, the affiant and the
17 11 personal representative shall be jointly and severally liable
17 12 for any tax, penalty, and interest that may have been due.
17 13 Any otherwise applicable statute of limitations on the
17 14 assessment and collection of the tax, penalty, and interest
17 15 shall not apply.

17 16 Sec. 33. Section 450.58, Code Supplement 2003, is amended
17 17 to read as follows:

17 18 450.58 FINAL SETTLEMENT TO SHOW PAYMENT.

17 19 The 1. Except as provided in subsection 2, the final
17 20 settlement of the account of a personal representative shall
17 21 not be accepted or allowed unless it shows, and the court
17 22 finds, that all taxes imposed by this chapter upon any
17 23 property or interest in property that are made payable by the
17 24 personal representative and to be settled by the account, have
17 25 been paid, and that the receipt of the department of revenue
17 26 for the tax has been obtained as provided in section 450.64.

17 27 2. If an inheritance tax return is not required to be
17 28 filed pursuant to section 450.53, subsection 1, paragraph "b",
17 29 the personal representative's final settlement of account need
17 30 not contain an inheritance tax receipt from the department,
17 31 but shall, instead, contain the personal representative's
17 32 statement, under oath, that an inheritance tax return is not
17 33 required to be filed pursuant to section 450.53, subsection 1,
17 34 paragraph "b". If a false affidavit is filed, the affiant and
17 35 the personal representative shall be jointly and severally
18 1 liable for any tax, penalty, and interest that may have been
18 2 due. Any otherwise applicable statute of limitations on the
18 3 assessment and collection of the tax, penalty, and interest
18 4 shall not apply.

18 5 3. Any order contravening any provision of this section is
18 6 void.

18 7 Sec. 34. Section 450.94, subsection 2, Code Supplement
18 8 2003, is amended to read as follows:

18 9 2. The Unless a return is not required to be filed
18 10 pursuant to section 450.22, subsection 3, or section 450.53,

18 11 subsection 1, paragraph "b", the taxpayer shall file an
18 12 inheritance tax return on forms to be prescribed by the
18 13 director of revenue on or before the last day of the ninth
18 14 month after the death of the decedent. When an inheritance
18 15 tax return is filed, the department shall examine it and
18 16 determine the correct amount of tax. If the amount paid is
18 17 less than the correct amount due, the department shall notify
18 18 the taxpayer of the total amount due together with any penalty
18 19 and interest which shall be a sum certain if paid on or before
18 20 the last day of the month in which the notice is dated, or on
18 21 or before the last day of the following month if the notice is
18 22 dated after the twentieth day of a month and before the first
18 23 day of the following month.

18 24 Sec. 35. Section 452A.3, Code 2003, is amended by adding
18 25 the following new subsection:

18 26 NEW SUBSECTION. 7. All excise taxes collected under this
18 27 chapter by a supplier, restrictive supplier, importer, dealer,
18 28 blender, user, or any individual are deemed to be held in
18 29 trust for the state or Iowa.

18 30 Sec. 36. Section 453A.6, Code 2003, is amended by adding
18 31 the following new subsection:

18 32 NEW SUBSECTION. 6. All excise taxes collected under this
18 33 division by a distributor, manufacturer, or any individual are
18 34 deemed to be held in trust for the state of Iowa.

18 35 Sec. 37. Section 453A.11, Code 2003, is amended to read as
19 1 follows:

19 2 453A.11 CANCELLATION OF STAMPS.

19 3 Stamps affixed to a package of cigarettes shall not be
19 4 canceled by any letter, numeral, or other mark of
19 5 identification or otherwise mutilated in any manner that will
19 6 prevent or hinder the department in making an examination as
19 7 to the genuineness of the stamp. However, the director may
19 8 require such cancellation of the tax stamps affixed to
19 9 packages of cigarettes which is necessary to carry out
19 10 properly the provisions of this division. A person who
19 11 cancels or causes the cancellation of stamps in violation of
19 12 this section shall be considered in possession of unstamped

19 13 cigarettes and is subject to the penalty provided in section
19 14 453A.31, subsection 1.

19 15 Sec. 38. Section 453A.15, subsection 1, Code 2003, is
19 16 amended to read as follows:

19 17 1. The director may prescribe the forms necessary for the
19 18 efficient administration of this division and may require
19 19 uniform books and records to be used and kept by each permit
19 20 holder or other person as deemed necessary. The director may
19 21 also require each permit holder or other person to keep and
19 22 retain in the director's possession evidence on prescribed
19 23 forms of all transactions involving the purchase and sale of
19 24 cigarettes or the purchase and use of stamps. The evidence
19 25 shall be kept for a period of ~~two~~ three years from the date of
19 26 each transaction, for the inspection at all times by the
19 27 department.

19 28 Sec. 39. Section 453A.28, Code 2003, is amended to read as
19 29 follows:

19 30 453A.28 ASSESSMENT OF TAX BY DEPARTMENT == INTEREST ==
19 31 PENALTY.

19 32 If after any audit, examination of records, or other
19 33 investigation the department finds that any person has sold
19 34 cigarettes without stamps affixed or that any person
19 35 responsible for paying the tax has not done so as required by
20 1 this division, the department shall fix and determine the
20 2 amount of tax due, and shall assess the tax against the
20 3 person, together with a penalty as provided in section 421.27.
20 4 The taxpayer shall pay interest on the tax or additional tax
20 5 at the rate determined under section 421.7 counting each
20 6 fraction of a month as an entire month, computed from the date
20 7 the tax was due. If any person fails to furnish evidence
20 8 satisfactory to the director showing purchases of sufficient
20 9 stamps to stamp unstamped cigarettes purchased by the person,
20 10 the presumption shall be that the cigarettes were sold without
20 11 the proper stamps affixed. Within ~~two~~ three years after the
20 12 report is filed or within ~~two~~ three years after the report
20 13 became due, whichever is later, the department shall examine
20 14 the report and determine the correct amount of tax. The
20 15 period for examination and determination of the correct amount
20 16 of tax is unlimited in the case of a false or fraudulent
20 17 report made with the intent to evade tax, or in the case of a
20 18 failure to file a report, or if a person purchases or is in
20 19 possession of unstamped cigarettes.

20 20 The ~~two-year~~ three-year period of limitation may be
20 21 extended by a taxpayer by signing a waiver agreement form to
20 22 be provided by the department. The agreement must stipulate
20 23 the period of extension and the tax period to which the
20 24 extension applies. The agreement must also provide that a
20 25 claim for refund may be filed by the taxpayer at any time
20 26 during the period of extension.

20 27 Sec. 40. Section 453A.31, subsection 1, paragraphs c, d,
20 28 and e, Code 2003, are amended to read as follows:

20 29 c. A ~~one thousand~~ twenty-five dollar per pack penalty for
20 30 the first violation if a person is in possession of more than
20 31 two thousand unstamped cigarettes.

20 32 d. For a second violation within ~~two~~ three years of the
20 33 first violation, the penalty is four hundred dollars if a
20 34 person is in possession of more than forty but not more than
20 35 four hundred unstamped cigarettes; one thousand dollars if a
21 1 person is in possession of more than four hundred but not more
21 2 than two thousand unstamped cigarettes; and ~~two thousand~~
21 3 thirty-five dollars per pack if a person is in possession of
21 4 more than two thousand unstamped cigarettes.

21 5 e. For a third or subsequent violation within ~~two~~ three
21 6 years of the first violation, the penalty is six hundred
21 7 dollars if a person is in possession of more than forty but
21 8 not more than four hundred unstamped cigarettes; one thousand
21 9 five hundred dollars if a person is in possession of more than
21 10 four hundred but not more than two thousand unstamped
21 11 cigarettes; and ~~three thousand~~ forty-five dollars per pack if
21 12 a person is in possession of more than two thousand unstamped
21 13 cigarettes.

21 14 Sec. 41. Section 453A.31, subsection 2, paragraphs b and
21 15 c, Code 2003, are amended to read as follows:

21 16 b. A five hundred dollar penalty for a second violation
21 17 within ~~two~~ three years of the first violation.

21 18 c. A thousand dollar penalty for a third or subsequent
21 19 violation within ~~two~~ three years of the first violation.

21 20 Sec. 42. Section 453A.32, subsections 1, 4, and 5, Code
21 21 2003, are amended to read as follows:

21 22 1. All cigarettes on which taxes are imposed or required
21 23 to be imposed by this division, which are found in the

21 24 possession or custody, or within the control of any person,
21 25 for the purpose of being sold, distributed, or removed by the
21 26 person in violation of this division, and all cigarettes which
21 27 are removed ~~or are, stored, transported, deposited, or~~
21 28 concealed in any place ~~with intent to avoid payment of taxes~~
21 29 ~~without the proper taxes paid~~, and any automobile, truck,
21 30 boat, conveyance, or other vehicle whatsoever, used in the
21 31 removal, storage, deposit, concealment, or transportation of
21 32 cigarettes for ~~such the purpose of avoiding the payment of the~~
21 33 proper tax, and all equipment or other tangible personal
21 34 property incident to and used for ~~such the purpose of avoiding~~
21 35 the payment of the proper tax, found in the place, building,
22 1 or vehicle where cigarettes are found, and all counterfeit
22 2 cigarettes may be seized by the department, with or without
22 3 process and shall be from the time of the seizure forfeited to
22 4 the state of Iowa. A proceeding in the nature of a proceeding
22 5 in rem shall be filed in a court of competent jurisdiction in
22 6 the county of seizure to maintain the seizure and declare and
22 7 perfect the forfeiture. All cigarettes, counterfeit
22 8 cigarettes, vehicles, and property seized, remaining in the
22 9 possession or custody of the department, sheriff or other
22 10 officer for forfeiture or other disposition as provided by
22 11 law, are not subject to replevin.
22 12 4. In the event final judgment is rendered in the
22 13 forfeiture proceedings aforesaid, maintaining the seizure, and
22 14 declaring and perfecting the forfeiture of said seized
22 15 property, the court shall order and decree the sale ~~thereof of~~
22 16 the seized property, other than the counterfeit cigarettes, to
22 17 the highest bidder, by the sheriff at public auction in the
22 18 county of seizure after notice is given in the manner provided
22 19 in the case of the sale of personal property under execution,
22 20 and the proceeds of such sale, less expense of seizure and
22 21 court costs, shall be paid into the state treasury.
22 22 Counterfeit cigarettes shall be destroyed or disposed of in a
22 23 manner determined by the director.
22 24 5. In the event the cigarettes seized ~~hereunder~~ and sought
22 25 to be sold upon forfeiture ~~shall be~~ are unstamped, the
22 26 cigarettes shall be sold by the director or the director's
22 27 designee to the highest bidder among the licensed permitted
22 28 distributors in this state after written notice has been
22 29 mailed to all ~~such~~ distributors. If there is no bidder, or in
22 30 the opinion of the director the quantity of cigarettes to be
22 31 sold is insufficient or for any other reason such disposition
22 32 of the cigarettes is impractical, the cigarettes shall be
22 33 destroyed or disposed of in a manner as determined by the
22 34 director. The proceeds ~~of such from the~~ sales shall be paid
22 35 into the state treasury.
23 1 Sec. 43. Section 453A.36, Code 2003, is amended by adding
23 2 the following new subsection:
23 3 NEW SUBSECTION. 9. a. It is unlawful for a person to
23 4 ship or import into this state or to offer for sale, sell,
23 5 distribute, transport, or possess counterfeit cigarettes,
23 6 knowing such cigarettes are counterfeit cigarettes or having
23 7 reasonable cause to believe that such cigarettes are
23 8 counterfeit cigarettes.
23 9 b. For purposes of this subsection and section 453A.32,
23 10 "counterfeit cigarettes" means cigarettes, packages of
23 11 cigarettes, cartons of cigarettes or other containers of
23 12 cigarettes with a label, trademark, service mark, trade name,
23 13 device, design, or word adopted or used by a cigarette
23 14 manufacturer to identify its product that is false or used
23 15 without authority of the cigarette manufacturer.
23 16 Sec. 44. NEW SECTION. 453A.39 TOBACCO PRODUCT AND
23 17 CIGARETTE SAMPLES == RESTRICTIONS == ADMINISTRATION.
23 18 1. A manufacturer, distributor, wholesaler, retailer, or
23 19 distributing agent, or agent thereof, shall not give away
23 20 cigarettes or tobacco products at any time in connection with
23 21 the manufacturer's, distributor's, wholesaler's, retailer's,
23 22 or distributing agent's business or for promotion of the
23 23 business or product, except as provided in subsection 2.
23 24 2. a. All cigarette samples shall be shipped only to a
23 25 distributor that has a permit to stamp cigarettes or little
23 26 cigars with Iowa tax. All cigarette samples must have a
23 27 cigarette stamp. The manufacturer shipping samples under this
23 28 section shall send an affidavit to the director stating the
23 29 shipment information, including the date shipped, quantity,
23 30 and to whom the samples were shipped. The distributor
23 31 receiving the shipment shall send an affidavit to the director
23 32 stating the shipment information, including the date shipped,
23 33 quantity, and from whom the samples were shipped. These
23 34 affidavits shall be duly notarized and submitted to the

23 35 director at the time of shipment and receipt of the samples.
24 1 The distributor shall pay the tax on samples by separate
24 2 remittance along with the affidavit.
24 3 b. A manufacturer, distributor, wholesaler, retailer, or
24 4 distributing agent or agent thereof shall not give away any
24 5 cigarettes or tobacco products to any person under eighteen
24 6 years of age, or within five hundred feet of any playground,
24 7 school, high school, or other facility when such facility is
24 8 being used primarily by persons under age eighteen for
24 9 recreational, educational, or other purposes.

24 10 c. Proof of age shall be required if a reasonable person
24 11 could conclude on the basis of outward appearance that a
24 12 prospective recipient of a sample may be under eighteen years
24 13 of age.

24 14 Sec. 45. Section 453A.43, Code 2003, is amended by adding
24 15 the following new subsection:

24 16 NEW SUBSECTION. 6. All excise taxes collected under this
24 17 chapter by a distributor or any individual are deemed to be
24 18 held in trust for the state of Iowa.

24 19 Sec. 46. Section 453A.45, subsection 1, unnumbered
24 20 paragraph 2, Code 2003, is amended to read as follows:

24 21 When a licensed distributor sells tobacco products
24 22 exclusively to the ultimate consumer at the address given in
24 23 the license, an invoice of those sales is not required, but
24 24 itemized invoices shall be made of all tobacco products
24 25 transferred to other retail outlets owned or controlled by
24 26 that licensed distributor. All books, records and other
24 27 papers and documents required by this subdivision to be kept
24 28 shall be preserved for a period of at least ~~two~~ three years
24 29 after the date of the documents or the date of the entries
24 30 appearing in the records, unless the director, in writing,
24 31 authorized their destruction or disposal at an earlier date.
24 32 At any time during usual business hours, the director, or the
24 33 director's duly authorized agents or employees, may enter any
24 34 place of business of a distributor, without a search warrant,
24 35 and inspect the premises, the records required to be kept
25 1 under this subdivision, and the tobacco products contained
25 2 therein, to determine if all the provisions of this division
25 3 are being fully complied with. If the director, or any such
25 4 agent or employee, is denied free access or is hindered or
25 5 interfered with in making the examination, the license of the
25 6 distributor at that premises is subject to revocation by the
25 7 director.

25 8 Sec. 47. Section 453A.45, subsections 2, 3, and 4, Code
25 9 2003, are amended to read as follows:

25 10 2. Every person who sells tobacco products to persons
25 11 other than the ultimate consumer shall render with each sale
25 12 itemized invoices showing the seller's name and address, the
25 13 purchaser's name and address, the date of sale, and all prices
25 14 and discounts. The person shall preserve legible copies of
25 15 all ~~such~~ these invoices for ~~two~~ three years from the date of
25 16 sale.

25 17 3. Every retailer and subjobber shall procure itemized
25 18 invoices of all tobacco products purchased. The invoices
25 19 shall show the name and address of the seller and the date of
25 20 purchase. The retailer and subjobber shall preserve a legible
25 21 copy of each ~~such~~ invoice for ~~two~~ three years from the date of
25 22 purchase. Invoices shall be available for inspection by the
25 23 director or the director's authorized agents or employees at
25 24 the retailer's or subjobber's place of business.

25 25 4. Records of all deliveries or shipments of tobacco
25 26 products from any public warehouse of first destination in
25 27 this state which is subject to the provisions of and licensed
25 28 under chapter 554 shall be kept by the warehouse and be
25 29 available to the director for inspection. They shall show the
25 30 name and address of the consignee, the date, the quantity of
25 31 tobacco products delivered, and such other information as the
25 32 commissioner may require. These records shall be preserved
25 33 for ~~two~~ three years from the date of delivery of the tobacco
25 34 products.

25 35 Sec. 48. Section 453A.46, subsections 1 and 6, Code 2003,
26 1 are amended to read as follows:

26 2 1. On or before the twentieth day of each calendar month
26 3 every distributor with a place of business in this state shall
26 4 file a return with the director showing the quantity and
26 5 wholesale sales price of each tobacco product brought, or
26 6 caused to be brought, into this state for sale; and made,
26 7 manufactured, or fabricated in this state for sale in this
26 8 state, during the preceding calendar month. Every licensed
26 9 distributor outside this state shall in like manner file a
26 10 return showing the quantity and wholesale sales price of each

26 11 tobacco product shipped or transported to retailers in this
26 12 state to be sold by those retailers, during the preceding
26 13 calendar month. Returns shall be made upon forms furnished
26 14 and prescribed by the director and shall contain other
26 15 information as the director may require. Each return shall be
26 16 accompanied by a remittance for the full tax liability shown
26 17 on the return, less a discount as fixed by the director not to
26 18 exceed five percent of the tax. Within ~~two~~ three years after
26 19 the return is filed or within ~~two~~ three years after the return
26 20 became due, whichever is later, the department shall examine
26 21 it, determine the correct amount of tax, and assess the tax
26 22 against the taxpayer for any deficiency. The period for
26 23 examination and determination of the correct amount of tax is
26 24 unlimited in the case of a false or fraudulent return made
26 25 with the intent to evade tax, or in the case of a failure to
26 26 file a return.

26 27 The ~~two-year~~ three-year period of limitation may be
26 28 extended by a taxpayer by signing a waiver agreement form to
26 29 be provided by the department. The agreement must stipulate
26 30 the period of extension and the tax period to which the
26 31 extension applies. The agreement must also provide that a
26 32 claim for refund may be filed by the taxpayer at any time
26 33 during the period of extension.

26 34 6. On or before the twentieth day of each calendar month,
26 35 every consumer who, during the preceding calendar month, has
27 1 acquired title to or possession of tobacco products for use or
27 2 storage in this state, upon which tobacco products the tax
27 3 imposed by section 453A.43 has not been paid, shall file a
27 4 return with the director showing the quantity of tobacco
27 5 products so acquired. The return shall be made upon a form
27 6 furnished and prescribed by the director, and shall contain
27 7 other information as the director may require. The return
27 8 shall be accompanied by a remittance for the full unpaid tax
27 9 liability shown by it. Within ~~two~~ three years after the
27 10 return is filed or within ~~two~~ three years after the return
27 11 became due, whichever is later, the department shall examine
27 12 it, determine the correct amount of tax, and assess the tax
27 13 against the taxpayer for any deficiency. The period for
27 14 examination and determination of the correct amount of tax is
27 15 unlimited in the case of a false or fraudulent return made
27 16 with the intent to evade tax, or in the case of a failure to
27 17 file a return.

27 18 Sec. 49. Section 453B.3, Code 2003, is amended by adding
27 19 the following new unnumbered paragraph:

27 20 NEW UNNUMBERED PARAGRAPH. All excise taxes collected under
27 21 this chapter by a dealer or any individual are deemed to be
27 22 held in trust for the state of Iowa.

27 23 Sec. 50. Section 633.479, unnumbered paragraph 2, Code
27 24 Supplement 2003, is amended to read as follows:

27 25 An order approving the final report and discharging the
27 26 personal representative shall not be required if all
27 27 distributees otherwise entitled to notice are adults, under no
27 28 legal disability, have signed waivers of notice as provided in
27 29 section 633.478, have signed statements of consent agreeing
27 30 that the prayer of the final report shall constitute an order
27 31 approving the final report and discharging the personal
27 32 representative, and if the statements of consent are dated not
27 33 more than thirty days prior to the date of the final report,
27 34 and if compliance with sections 422.27 and 450.58 have been
27 35 fulfilled and receipts, sworn statements, and certificates, as
28 1 any of these that are required, are on file. In those
28 2 instances final order shall not be required and the prayer of
28 3 the final report shall be considered as granted and shall have
28 4 the same force and effect as an order of discharge of the
28 5 personal representative and an order approving the final
28 6 report.

28 7 Sec. 51. Sections 2A.8 and 48A.24, Code Supplement 2003,
28 8 are repealed.

28 9 Sec. 52. REFUNDS. Refunds of taxes, interest, or
28 10 penalties which arise from claims resulting from the amendment
28 11 to section 422.42, subsection 6, in this Act, for the
28 12 noninclusion of trade discounts in computing gross receipts on
28 13 sales occurring between January 1, 1997, and the effective
28 14 date of the section amending section 422.42, subsection 6, in
28 15 this Act, shall be limited to twenty-five thousand dollars in
28 16 the aggregate and shall not be allowed unless refund claims
28 17 are filed prior to October 1, 2004, notwithstanding any other
28 18 provision of law. If the amount of claims totals more than
28 19 twenty-five thousand dollars in the aggregate, the department
28 20 of revenue shall prorate the twenty-five thousand dollars
28 21 among all claimants in relation to the amounts of the

28 22 claimants' valid claims.
28 23 Sec. 53. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY
28 24 PROVISIONS.
28 25 1. The section amending section 422.42, subsection 6, in
28 26 this Act, being deemed of immediate importance, takes effect
28 27 upon enactment and applies retroactively to January 1, 1997.
28 28 2. The section amending section 422.42, subsection 6, in
28 29 this Act is void on and after July 1, 2004.
28 30 3. The section providing for sales and use tax refunds in
28 31 this Act ceases to apply to any refund claims filed after
28 32 September 30, 2004.
28 33
28 34
28 35

29 1 _____
29 2 JEFFREY M. LAMBERTI
29 3 President of the Senate
29 4

29 5 _____
29 6 CHRISTOPHER C. RANTS
29 7 Speaker of the House
29 8

29 9 I hereby certify that this bill originated in the Senate and
29 10 is known as Senate File 2296, Eightieth General Assembly.
29 11
29 12

29 13 _____
29 14 MICHAEL E. MARSHALL
29 15 Secretary of the Senate
29 16

29 16 Approved _____, 2004
29 17
29 18
29 19

29 20 _____
29 21 THOMAS J. VILSACK
29 22 Governor